



Independent Accountants' Report on the Application of Agreed-Upon Procedures on Indirect Cost Rates Proposed by International Center for Journalists, Inc.

The Department of State, Office of Inspector General contracted with Leonard G. Birnbaum & Company, LLP, Certified Public Accountants, to perform agreed-upon procedures to determine whether the indirect cost and fringe benefit rates proposed by the International Center for Journalists, Inc., for the years ended December 31, 2006 and 2005 complied with applicable regulations.

The independent accountants found the Center's accounting system to be adequate for accumulating and reporting indirect costs under the provisions of the Office of Management and Budget Circulars A-122, Codified at 2 CFR Part 230, *Cost Principles for Non-Profit Organizations*, and A-110, *Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations*.

The independent accountants review disclosed that for 2006 and 2005, the Center properly calculated and reported its indirect costs and fringe benefit rates. The independent accountants recommended that the Department accept and finalize the indirect cost and fringe benefit rates for 2006 and 2005 as proposed and recommended by their report.

The work for OIG Report AUD/CG-08-13 was conducted by Leonard G. Birnbaum and Company, LLP, Certified Public Accountants. This is an unclassified summary of a full report, which may receive limited official distribution.

Office of Inspector General

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